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Before the Subcommittee on Water Resources and the Environment
Of the House Committee on Transportation and Infrastructure

June 24, 2004

Thank you for the opportunity to testify. My name is Scott Faber and I am a water resources specialist for Environmental Defense.

Our organization strongly opposes authorization of longer Mississippi and Illinois river locks, and instead urges the Committee to authorize the implementation of small-scale measures, like scheduling and helper boats, until the U.S. Army Corps of Engineers completes a credible, peer-reviewed assessment of this controversial $2.3 billion waterway project. We also urge the Committee to support adequate, guaranteed, prioritized restoration funding that is guided by sound science.

As you know, the Corps has proposed to build seven new locks and extend the length of five other locks on the Upper Mississippi and Illinois rivers. This proposal would be the most expensive waterway project in American history.

Since the Army's Inspector General in 2001 concluded that Corps officials manipulated this study to support longer locks, two panels of the National Academy of Sciences have since concluded that the Corps is employing economic tools that exaggerate the benefits of this project, and that longer locks could not be fairly evaluated until the Corps has implemented congestion management measures such as helper boats and scheduling.

We believe Congress should reject longer locks and instead support small-scale measures for several reasons.

First, river traffic is declining. River traffic has been flat since 1979 and has actually declined in recent years. Nonetheless, the Corps assumes under most "scenarios" that traffic will grow dramatically in the next few decades. Two panels of the National Academy of Sciences have called these Corps' traffic "scenarios" unrealistic, and have further said that these qualitative scenarios are not a proper substitute for actual traffic forecasts. Corps traffic projections have been wrong before – most recently for Lock and Dam 26 on the Mississippi River. Only 60 percent of the traffic the Corps predicted would pass through expanded Lock and Dam 26 by 2000 has actually materialized. In fact, only 2 of 14 waterway projects constructed since World War II for which data is available have attracted as much commercial traffic as the Corps predicted. In this case, the Corps forecast in 1997 that commercial traffic passing through Lock and Dam 25 would reach 50.3 million tons by 2003. In fact, only 33.7 million tons of cargo moved through Lock and Dam 25 in 2003 – the lowest amount since 1999. Traffic has fallen further in 2004: the number of barges processed through Lock and Dam 25 has fallen 19

percent when compared to the spring of 2003. As a result, delays at Lock and Dam 25 and other locks the Corps proposes to replace have also fallen.

Second, domestic demand for grain and oilseeds is growing. The fastest growing market for American grain is domestic processing facilities such as ethanol production plants, not foreign markets, and value-added products made from grain are shipped by truck and rail, not by barge. While exports of grain and oil seeds have been flat since 1979, domestic processing has grown significantly in recent years. However, two panels of the National Academy of Sciences have concluded that the Corps is underestimating the importance of these alternatives to barge. In particular, the Corps is employing two models that assumes that demand for barges is either completely or almost completely inelastic – that is, that farmers continue to ship their grain to the Mississippi even when the cost of shipping by barge increases. In fact, demand for barge is very elastic, and this project is simply not justified under any scenario of traffic growth when the Corps employs a third model that assumes that farmers will take their grain to other destinations and modes when the cost of transportation by barge increases.

Third, value-added processing helps farmers and rural communities. Converting grain and oilseeds into value-added products increases the price farmers can earn for their grain and oilseeds and creates jobs in rural communities. By contrast, exports will probably not increase the price farmers can earn, and ships jobs overseas. In addition, building longer locks will not improve our ability to compete with other exporters. Building longer locks will reduce the length of a round trip from Clinton to New Orleans and back to Clinton by less than one day, and reduce the price of shipping grain by a fraction of a penny per bushel. Currently, a round trip between Clinton and New Orleans takes 840 hours. At worst, delays at locks add 60 hours to this trip. Building longer locks would reduce these delays by only 22 hours. The only beneficiary of longer locks will be barge companies that could resell the time that is now "wasted" at locks. But, reselling this time – approximately 720,000 hours in 2003 – at $13.49 per hour - would only generate $10 million annually in new revenue for barge companies. By contrast, the annual cost of longer locks will be $191 million, according to the Corps – resulting in a net loss to the nation of $181 million annually. Building longer locks will undoubtedly create jobs in Illinois and Missouri – at the expense of jobs in other states. According to the Corps, other states would lose 564 jobs and $32.2 million in income if the longer locks are constructed.

Fourth, small-scale management measures can relieve congestion now. Corps studies show that inexpensive small-scale measures like traffic scheduling and helper boats could reduce lockage times by 20 minutes or more. Scheduling has successfully reduced delays as well as fuel and labor costs on other waterways. Unlike new or expanded locks that will take decades to build, small-scale measures can be implemented right away at a fraction of the cost. Two panels of the National Academy of Sciences have urged the Corps to implement these measures, noting that longer locks cannot be fairly evaluated until small-scale measures are exhausted. While longer locks will cost $2.3 billion, small-scale measures would cost less than $100 million. Fortunately, these locks are not near their capacity. According to the Corps, only three of the seven locks the Corps now

proposes to replace are used more than 80 percent of the time – two of the locks are used less than 50 percent of the time. In addition, capacity has increased in recent years: between 1989 and 2003, lock capacity at Locks 20, 21, 22, 24 and 25 has increased by as much as 8 percent.

Fifth, most locks have recently been rehabilitated. The locks and dams are not falling into disrepair. In fact, the Corps has spent more than $900 million rehabilitating these locks and dams since 1975, extending the productive life of existing locks and dams for decades. As the Corps noted in a February 2004 report, "the life of existing locks and dams and their components can be extended with normal periodic rehabilitation for another 50 years and match the design life of any new construction." The Corps anticipates that locks will only need to be rehabilitated once or twice in the next 50 years, and that future rehabilitation needs will be only $25 to $30 million per lock, and $15 million per dam, for each rehabilitation cycle. Overall, annual rehabilitation cost will average only $65 million, according to the Corps. By contrast, construction of new locks will annually cost $191 million – or three times as much as rehabilitation.

Sixth, the nation has more urgent infrastructure needs. As you know, the Corps has a significant backlog of port, waterway, flood control and restoration projects in states like Alaska and Tennessee that are far more urgently needed and far more clearly justified than longer Mississippi River locks. Diverting at least $191 million annually – or approximately 10 percent of all Corps construction funding – for decades to build a project based upon unrealistic traffic scenarios and unsupported assumptions would needlessly deprive other projects of desperately needed funds.

Among these needs is the restoration of the Upper Mississippi River and Illinois rivers. Each year, thousands of acres of critical habitat are being lost. By 2050, some river reaches will lose 20 to 30 percent of their connected backwaters, which serve as critical nurseries for wildlife. Although these resources support more than 600 species and 40 percent of North America's migrating waterfowl, far more than fish and wildlife is at stake. The natural resources of the Upper Mississippi and Illinois rivers are also powerful economic engines, supporting about 140,000 jobs and generating more than $6 billion in annual spending.

To reverse the loss of habitat along the Upper Mississippi River, we urge the Committee to support:

- **Adequate Restoration Funding –** We urge you to provide $170 million annually for the Environmental Management Program, including $100 million annually for habitat restoration, $35 million annually for the acquisition of easements of fee title from willing sellers, $25 million annually for research and monitoring, and $10 million annually for riverfront revitalization. We also urge you to make the maintenance of EMP projects a federal responsibility.

- **Guaranteed, Balanced and Prioritized Funding –** We urge you to explicitly link restoration funding to annual funding for operations and maintenance to

ensure balanced funding in the future. We also urge you to give priority to projects that restore natural river processes, such as floodplain restoration, tributary confluence restoration and dam reforms.

- **Sound Science –** We urge you to create an advisory committee of scientists with the expertise to review and comment upon habitat needs, pool plans, project criteria, selection and sequencing to ensure that the Corps is using the best available science.

In conclusion, we urge the Committee to reject longer locks in favor of small-scale measures while the Corps completes a credible, peer-reviewed assessment of lock expansion. As two panels of the NAS have noted, the Corps continues to use tools and assumptions that grossly overstate the need for the nation's most expensive waterway project. Fortunately, small-scale measures can immediately reduce congestion at a fraction of the cost of longer locks. We have time. Lock construction cannot begin for three years and will take decades to complete.

Far more than the future of the Mississippi River is at stake. This study also serves as a referendum on the Corps' ability to complete credible studies of water projects. This Committee should not reward faulty analysis by authorizing construction, but should instead reject longer locks and demand a fair, accurate assessment of this scandal-plagued project.

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